

SCHEDULE II

APPROVED DUTIES	
1.	Attendance at the following meetings entitles Members to claim travelling and subsistence allowances:-
	(i) Meetings of the Council
	(ii) Meetings of the Cabinet (either an appointed Member of the Cabinet or in pursuance of paragraph 2.2 of the Executive Procedure Rules)
	(iii) Meetings of Panels (either as an appointed member, or in pursuance of paragraph 15.21 of the Committees and Outside Bodies Procedure Rules).
	(iv) Meetings of committees or sub-committees of the Council (either as an appointed member or in pursuance of paragraph 15.21 of the Committees and Outside Bodies Procedure Rules).
	(v) Meetings of groups of Members and working parties established by the Council or any of its committees or sub-committees to deal with matters within the discharge of the functions of the Council (subject to groups or working parties being formed with the opportunity for minority group representation).
	(vi) Visits to locations which are arranged by or on behalf of the Council which enable Members to obtain greater appreciation of the effect of the discharge of the Council's functions (subject to the opportunity being extended for minority group representation on such visits).
	(vii) Attendance at conferences and training events relevant to the Council's powers, activities and duties.
	(viii) Meetings of outside bodies to which members of the Council have been duly appointed or nominated by or on behalf of the Council, <u>unless the outside body itself meets the travelling expenses of the appointee</u> . (Members are asked to clarify before claiming).
	(ix) Pre-arranged meetings with any officer in respect of matters relevant to their Committee etc. Such meetings must <u>not</u> be in connection with <u>ward</u> business.
In addition to travelling allowances, Members may also claim a carer's allowance (see Schedule I Para 2B) to enable them to attend a meeting of the Council to which they have been appointed, or an approved training event.	

INCOME TAX

Basic Allowances, Special Responsibility Allowances and Carers Allowances are treated by HMRC as taxable under Schedule E (the tax schedule applicable to employed persons). Payments in respect of allowances are paid directly to an individual's nominated bank or building society account via the Council's payroll system and are subject to taxation under the P.A.Y.E. Scheme, as determined by the individual circumstances of each Member.

Expenses which are "wholly, exclusively and necessarily" incurred in the execution of the duties of an elected Member, are eligible for tax relief. Members can submit claims to HMRC for a refund of tax on these expenses at the end of each financial year. It is worth noting that HMRC is entitled to request proof from individuals to substantiate any such claims that are submitted. Claims should be submitted using HMRC Form P87 which may be downloaded from the HMRC website at www.hmrc.gov.uk.

The following specific HMRC guidance notes, which are also available via their website, may be of interest:

Reference	
EIM65920	Allowances Councillors may receive
EIM65930	}
EIM65940	} Expenses deductions
EIM65950	}
EIM65955	Guidance note prepared by Assoc. of Local Councillors
EIM65960	ODPM Guidance
EIM65970	ODPM Guidance Part 2

Expenses that might be incurred include:

- Postage
- Stationery if not provided by the Council
- Travelling expenses which have not been reimbursed by the Council
- Telephone calls
- Use of home

The Councillor's home may only be regarded as their place of work by HMRC when constituents are routinely interviewed or invited to attend there. On this basis, in principle, income tax is not payable on travelling expenses reimbursed for journeys undertaken between home and Council Offices (or other sites) in the performance of official duties. However, mileage paid at a rate that is higher than the HMRC statutory limit (currently 45p for cars) will attract a tax liability on the excess. The Council has obtained HMRC approval to deduct the appropriate tax at source. In instances where the Councillor's home cannot be regarded as his/her place of work, income tax is payable for travelling expenses reimbursed to Councillors and **Councillors should notify the ~~Director of Finance & Transformation~~ Head of Finance and s151 Officer if this is the case.**

Where Members are liable to pay the higher rate of income tax they may wish to have tax deductions from their allowances at the higher rate. This can be arranged by notifying the ~~Director of Finance & Transformation~~ Head of Finance and s151 Officer in writing.

NATIONAL INSURANCE

Social Security Benefits:

Members must notify their Benefits Agency local office of any allowance payments received from the Council if they are claiming or receiving benefit.

Contributions:

Allowances are treated as earnings for National Insurance purposes and, therefore, when monthly allowances exceed the earnings threshold, National Insurance contributions will be deducted. The 'profit' element of car mileage allowances will be treated as earnings and aggregated with allowances to determine the N.I. contribution.

The Council has a statutory responsibility to enter the National Insurance number of each Councillor on to the HMRC records and, where appropriate, obtain the partial and total exemption certificates of all persons paying contributions at other than the standard rate.

Members' contributions will be notified to HMRC at the end of each financial year. If the amount deducted by the Council in a year, when added to the amount deducted from any other employment, exceeds the maximum contribution, a refund will be due from HMRC.

It is for the individual to calculate whether or not a refund is due and to claim reimbursement accordingly.

INSURANCES

Members may find it helpful to have a brief summary of those insurances effected by the Council which may affect them personally.

In general, the Council insures its properties, equipment and vehicles against the risk of loss or damage and also insures in respect of any legal liability it may incur to pay compensation or damages to others.

Policies which make particular reference to Members are:-

Libel and Slander:

This indemnifies the Council in respect of:

- (a) Any libels appearing in a publication normal to the Council's business by any Member or employee provided that such publications are specifically authorised by the Council and agreed beforehand with the insurers.

- (b) Slanders in oral utterances made by any Member or employee during the discharge or official duties on behalf of the Council and, in the case of any Member, during any meeting of the Council, its Committees or Sub-Committees or on any occasion when such a Member is authorised to represent the Council's views.

If the claim is directed against an elected Member, that Member will be personally indemnified but will be called upon to bear 10% of any sum which the insurer may pay.

Publication is defined as any notice, agenda, minute, report, correspondence, other written or recorded matter and statements broadcast on the television or radio.

Personal Accident:

Provides benefits, as indicated below in the event of any Member or co-opted Member (not over 80 years of age), suffering accidental bodily injury whilst engaged on Council business anywhere in the world including direct travel in connection with such business.

- Death		£50,000
- Total loss of sight in one or both eyes		£50,000
- Total loss of, or total loss of use of, a hand or foot		£50,000
- Permanent total and absolute disablement (other than as above) from engaging in usual occupation)		£50,000
- Temporary total disablement	} Not exceeding 104 weeks in all	£100 per week
- Temporary partial disablement		

Benefits are also payable (as a percentage of £50,000) for a wide range of other injuries and disabilities.

The insurers' maximum liability for any one claim is £50,000

In addition, the loss of or damage to Personal Effects, including money, arising at the same time as injury giving rise to a claim is covered for an unlimited amount.

Privately owned cars used on Council business:

It is, of course, the responsibility of each Member to ensure that any car used on Council business is adequately insured for such use.

The Council does, however, hold insurance indemnifying the Council in respect of its contingent liability in the event of a claim falling upon it due to the lack of or a defect in a Member's or employee's own insurance.

The existence of this insurance does not, in any way, remove or reduce a Member's own responsibility to ensure that appropriate insurance arrangements are in place.

Members nominated to serve on outside bodies:

The Personal Indemnity cover afforded to Members and staff, is very restricted in respect of the activities of Members nominated by the Council to an Outside Body. Cover is dependent upon the business undertaken by the Outside Body, and the nature of the Member's role and responsibilities as a representative on that Body. It usually requires the Member to be representing the Council's views to the Outside Body and the activities of the Outside Body being linked to the services provided by the Council. In the majority of instances this does not apply, and Members are quite often participating in the management of the organisation to which they were nominated.

It is the Council's policy to leave the decision as to whether a Member wishes to take up a nomination to an outside body, in the absence of insurance cover, to the individual Member. Where an organisation requests that the Council makes a nomination, the Council will enquire into the level of cover, if any, provided by the organisation. This information will be passed to prospective nominees.

Reference:

Insurances:	Financial Services	financial.services@tmhc.gov.uk
Members' Allowances:	Democratic Services	admin.services@tmhc.gov.uk

CLAIMS

Payment of Basic Allowances and Special Responsibility Allowances will be made automatically to Members each month. If a Member chooses not to receive a Special Responsibility Allowance or payment of Basic Allowance to which they are entitled, they should notify the ~~Director of Finance & Transformation~~Head of Finance and s151 Officer in writing.

Claims are required for the payment of travelling allowances and it is suggested that Members submit claims on a monthly basis for payment.

For payroll processing purposes, Members are asked to ensure that claims reach Democratic or Admin Services by the third working day of the month.

Members should ensure that they sign the attendance sheet at every Council, Cabinet, Committee, Sub-Committee, Board, Panel, Working Party and site meeting which they attend. Failure to sign the attendance sheet may delay settlement of the claim.

Where meetings are arranged for groups of Members or site visits are organised, the relevant Committee should resolve whether or not the meeting/visit is an approved duty. In circumstances where it has not been possible to obtain such a resolution, the officer organising the meeting will confer with the relevant Chairman and will indicate in the letter of invitation, the status of the meeting.

Further assistance and advice on claims can be obtained from Democratic Services (committee.services@tmbc.gov.uk) at Kings Hill.